

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>FIELDWOOD ENERGY III LLC, et al.,</b>	§	<b>Case No. 20-33948 (MI)</b>
	§	
	§	<b>(Jointly Administered)</b>
<b>Post-Effective Date Debtors.<sup>1</sup></b>	§	

**PLAN ADMINISTRATOR’S LIMITED OBJECTION AND RESERVATION OF  
RIGHTS IN RESPONSE TO THE APPLICATION OF COX ENTITIES FOR  
ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM**

(Related Docket No. 2082)

The administrator of the chapter 11 plan (the “Plan Administrator”) of the above-captioned reorganized debtors (collectively, the “Debtors,” as applicable, and after the effective date of their plan of reorganization, the “Reorganized Debtors”), files this *Plan Administrator’s Limited Objection and Reservation of Rights in Response to the Application of Cox Entities for Allowance of Administrative Expense Claim* (this “Limited Objection and Reservation”) in response to the *Application of Cox Entities for Allowance of Administrative Expense Claim* [Docket No. 2082] (the “Application”) filed by Cox Oil, LLC, Cox Operating LLC, Energy XXI GOM, LLC, Energy XXI Gulf Coast, Inc., Energy XXI Onshore, LLC, Energy XXI Pipeline, LLC, Energy XXI

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<sup>1</sup> The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor’s federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the “Post-Effective Date FWE I Subsidiaries”) are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which have either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

Pipeline I, LLC, Energy XXI Pipeline II, LLC, M21K, LLC and EPL Oil & Gas, Inc., on behalf of themselves and their applicable affiliates (collectively, the “Cox Entities”). In support of this Limited Objection and Reservation, the Plan Administrator respectfully states as follows:

### **Limited Objection**

1. The Plan Administrator objects to the Application to the extent the Proposed Order<sup>2</sup> requires the Plan Administrator to make any payment within thirty days of the order’s entry.

2. The Cox Entities and the Debtors have had a historical practice of netting amounts owed against each other. (*See* Application at ¶ 9.) Indeed, as the Application notes, “reconciliation is ongoing” by the Cox Entities with respect to the amounts asserted in the Application. (*See* Application at ¶ 13.) The Plan Administrator is likewise in the process of reviewing the amounts owing between the Debtors and the Cox Entities and coordinating with the Post-Effective Date Debtors to reconcile amounts asserted by the Cox Entities. As such, until such time when the Plan Administrator and the Cox Entities are able to reconcile and offset those amounts, it would be improper to require the Plan Administrator to pay any amounts to the Cox Entities.

3. Accordingly, the Plan Administrator objects to the Application to the extent it requires the Plan Administrator to pay any amount to the Cox Entities without accounting for and offsetting amounts the Cox Entities owe to the Post-Effective Date Debtors.

### **Reservation of Rights**

4. As set forth in the *Stipulation and Order Between Debtors and Cox Oil, LLC and Certain Affiliates Resolving Adjourned Assumption Dispute* [Docket No. 2005] (the “Stipulation”), “the Cox Entities, the Debtors, the Post-Effective Date Debtors, FWEL, or the Creditor Bid

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<sup>2</sup> Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Application or the Stipulation (as defined herein), as applicable.

Purchaser, as applicable reserve any rights, defenses, and claims, including the right to challenge or object to, for any reason, any claims (including administrative claims), rights to setoff or recoupment, asserted by the Cox Entities in connection with the Pre-Effective Date Amounts.” (Stipulation at p. 3.) The Plan Administrator continues to reserve all such rights under the Stipulation, as well as all rights with respect to the Application, including the right to supplement this Limited Objection and Reservation, or file or make any further objection at or prior to any hearing on the Application and to raise any arguments in connection with the facts and allegations contained in the Application.

5. For the avoidance of doubt, nothing contained herein shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor or Reorganized Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Plan Administrator’s or any other party in interest’s right to dispute any claim on any grounds; (c) a waiver or limitation of the Plan Administrator’s or any other party in interest’s rights under the Bankruptcy Code or any other applicable law; (d) a promise or requirement to pay any claim; or (e) an implication or admission that any particular claim is of a type specified or defined in this Limited Objection and Reservation or the Application.

*[Remainder of Page Intentionally Left Blank]*

Respectfully submitted,

Dated: November 1, 2021

/s/ Michael D. Warner

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 1<sup>st</sup> day of November, 2021, a true and correct copy of the above and foregoing has been served by this Court's CM/ECF noticing system on all registered CM/ECF users appearing in these cases.

/s/ Michael D. Warner  
Michael D. Warner, Esq.